

A Review of

Enrollment Reporting by Texas Public Community, State, and Technical Colleges

October 2003

SAO Report No. 04-004



Enrollment Reporting by Texas Public Community, State, and Technical Colleges

Overall Conclusion

Based on our analysis of public community, state, and technical colleges' (colleges) estimated and actual contact hours for spring 2003, the Higher Education Coordinating Board (Coordinating Board) must redistribute \$2,024,408 of appropriated funding among the community colleges. The Coordinating Board redistributes the funds at the direction of the Legislative Budget Board.

Colleges receive most of their state appropriations based on the contact hours they report for the base period; the current base period consists of the summer 2002, fall 2002, and spring 2003 semesters. Due to its timing, the funding allocation uses actual (certified) hours for the summer and fall semesters and precertified hours for the spring semester. Once certified spring data is available, the Coordinating Board must adjust the colleges' funding accordingly.

In addition, the colleges self-audit their actual enrollment hours for the entire base period and report the results to the State Auditor. Because none of the colleges' errors exceeded the 2 percent error rate allowed by the Legislature, only the adjustments discussed above are necessary.

The State Auditor's Office subjected the reported information to analytical tests and other procedures, including on-site risk assessments at 13 colleges. During these site visits, we conducted interviews and obtained detailed data from the student information systems to perform further analysis on the accuracy of the reporting. Based on these tests and the colleges' self-audits, and because colleges have historically not exceeded the allowed 2 percent error rate, we did not conduct a comprehensive audit of any college's contact hours. The colleges are still subject to an audit of contact hours in conjunction with any other work that might be performed by the State Auditor.

Enrollment Review Overview

The General Appropriations Act (Rider 7, page III-215, 78th Legislature, Regular Session) specifies that the accuracy of contact hour data that Texas public institutions of higher education submit for use in formula funding is subject to audit by the State Auditor's Office. A contact hour is a measurement of the number of hours students receive instruction.

The General Appropriations Act specifies, "Calculation of revised appropriation amounts shall allow each institution an error rate of two percent of the total contact hour formula appropriations to that institution for the biennium."

Adjustments are mandatory if colleges over- or underestimate their spring contact hours. Semester estimates are mandatory for community, state, and technical colleges even if the error rate is less than 2 percent.



Detailed Results

Chapter 1

A Total of \$2,024,408 Can Be Reallocated Due to Community Colleges' Over- and Underestimating Their Contact Hours

The Higher Education Coordinating Board (Coordinating Board), at the direction of the Legislative Budget Board, must redistribute \$2,024,408 of appropriated funding among the community colleges. The General Appropriations Act requires the Coordinating Board to make funding adjustments if colleges over- or underestimate their spring contact hours (see text box). The Legislature appropriated \$1,501,275,021 to the institutions for the 2004–2005 biennium.

Nineteen colleges' funding revisions (38 percent) resulted in net increases, while 29 colleges' funding revisions (58 percent) resulted in net decreases.

Two colleges (Clarendon College and Ranger College) received funding subsidies totaling \$2,618,488 so that their funding would meet the statutory minimum of \$2,092,187 per year (\$4,184,374 per biennium). Thirteen other colleges (26 percent) received funding subsidies for the 2004–2005 biennium totaling \$6,886,091, as directed by the Legislative Budget Board, in order to limit decreases from the previous biennium to no more than 10 percent of total funding for community colleges. These subsidies for the 2004–2005 biennium have been absorbed by the remaining institutions within the community college category. Table 1 contains original and revised funding amounts for the community colleges.

The General Appropriations Act Requires Adjustments for Spring Semester Data

Rider 7, page III-215, of the General Appropriations Act (78th Legislature, Regular Session) specifies that "Adjustments shall be made to appropriated amounts in accordance with adjustments of estimated contact hours to actual certified contact hours, even if the total error rate is less than two percent of the total contact hour formula amount appropriated to that institution for the biennium. No college shall have dollar amounts adjusted below \$2,092,187."

Table 1

Community College Contact Hour Funding 2004-2005			
Institution/District	Original Allocation	Change	Revised Allocation
Community Colleges			
Alamo Community College District	\$ 115,564,930	\$ 877,041	\$ 116,441,971
Alvin Community College	16,127,910	42,660	16,170,570
Amarillo College ^a	31,546,891	(85,183)	31,461,708
Angelina College	16,122,891	33,090	16,155,981
Austin Community College	71,633,214	(26,012)	71,607,202
Blinn College	36,796,275	(148,417)	36,647,858
Brazosport College ^a	11,220,652	(30,299)	11,190,353
Central Texas College	35,886,775	(108,522)	35,778,253

Table 1

Community College Contact Hour Funding 2004-2005			
Institution/District	Original Allocation	Change	Revised Allocation
Community Colleges			
Cisco Junior College	\$ 8,501,577	\$ 499	\$ 8,502,076
Clarendon College ^b	4,184,374	-	4,184,374
Coastal Bend College	13,650,878	(19,409)	13,631,469
College of the Mainland	12,179,999	103,909	12,283,908
Collin County Community College District	44,175,664	(186,688)	43,988,976
Dallas County Community College District	166,437,108	105,636	166,542,744
Del Mar College	37,427,595	(73,089)	37,354,506
El Paso Community College District ^a	58,158,531	(157,043)	58,001,488
Frank Phillips College	4,988,618	13,543	5,002,161
Galveston College ^a	9,491,000	(25,628)	9,465,372
Grayson County College	12,032,097	82,418	12,114,515
Hill College	10,715,664	8,993	10,724,657
Houston Community College ^a	118,418,458	(319,751)	118,098,707
Howard College	14,127,786	69,322	14,197,108
Kilgore College ^a	20,421,978	(55,143)	20,366,835
Laredo Community College ^a	22,975,575	(63,181)	22,912,394
Lee College ^a	20,105,235	(54,291)	20,050,944
McLennan Community College	23,793,868	19,731	23,813,599
Midland College	16,106,082	14,334	16,120,416
Navarro College	17,798,840	54,161	17,853,001
North Central Texas College	14,740,043	(22,249)	14,717,794
North Harris Montgomery Community College District	81,483,602	(9,981)	81,473,621
Northeast Texas Community College	7,454,511	(23,864)	7,430,647
Odessa College	16,733,307	(53,763)	16,679,544
Panola College ^a	6,450,357	(17,418)	6,432,939
Paris Junior College	13,761,788	18,833	13,780,621
Ranger College ^b	4,184,374	-	4,184,374
San Jacinto College District ^a	66,348,737	(179,159)	66,169,578
South Plains College	26,250,044	(66,879)	26,183,165
South Texas Community College	39,870,167	(67,907)	39,802,260
Southwest Texas Junior College	12,717,902	(88,286)	12,629,616
Tarrant County College District	80,089,124	189,975	80,279,099
Temple College	12,165,215	33,432	12,198,647
Texarkana College ^a	16,369,105	(44,201)	16,324,904
Texas Southmost College	21,745,556	(4,216)	21,741,340
Trinity Valley Community College	20,574,427	125,998	20,700,425
Tyler Junior College	30,294,730	201,334	30,496,064

Table 1

Community College Contact Hour Funding 2004-2005			
Institution/District	Original Allocation	Change	Revised Allocation
Community Colleges			
Vernon Regional Junior College ^a	\$ 10,139,406	\$ (27,379)	\$ 10,112,027
Victoria College ^a	13,690,643	(36,968)	13,653,675
Weatherford College	14,554,433	(14,594)	14,539,839
Western Texas College	5,279,929	29,498	5,309,427
Wharton County Junior College	15,787,156	(14,888)	15,772,268
TOTAL COMMUNITY COLLEGES	\$1,501,275,021	\$ 0	\$ 1,501,275,021
<p>^a The original allocation in the General Appropriations Act was limited to a maximum decrease of 9.7563 percent from the 2002-2003 biennium total funding distributions. The Legislative Budget Board (LBB) directed that the revised distribution be limited to a 10 percent decrease from the 2002-2003 biennium total funding distributions. The LBB based its directions on its interpretation of the intent of the 78th Legislature (Regular Session). The State Auditor is not expressing an opinion on or providing assurances about this interpretation of legislative intent.</p> <p>^b Clarendon College and Ranger College are at the minimum funding level—\$2,092,187 per fiscal year.</p>			

Source: Higher Education Coordinating Board at the direction of the Legislative Budget Board.

Table 2 contains the original and revised formula funding allocation for the state and technical colleges. Due to the lack of supporting documentation, we were unable to verify the reallocation calculations or the percentage limitation applied. The Legislative Budget Board has directed that any decrease from the prior biennium in the formula funding component of state and technical colleges' appropriations be limited to 12.5 percent.

Table 2

State and Technical College Contact Hour Funding 2004-2005			
Institution/District	Original Allocation	Change	Revised Allocation
State Colleges			
Port Arthur	\$ 8,818,019	\$ 0	\$ 8,818,019
Orange	5,375,154	0	5,375,154
Institute of Technology	9,897,345	0	9,897,345
TOTAL STATE COLLEGES	\$ 24,090,518	\$ 0	\$ 24,090,518

Table 2

State and Technical College Contact Hour Funding 2004-2005			
Institution/District	Original Allocation	Change	Revised Allocation
Technical College Campuses			
Abilene extension center	\$ 3,366,340	\$ 140,316	\$ 3,506,656
Breckenridge extension center	1,354,606	14,108	1,368,714
Brownwood extension center	1,041,468	524,258	1,565,726
Harlingen	20,840,939	(177,211)	20,663,728
Marshall	3,898,187	(70,913)	3,827,274
Waco	30,413,472	(452,048)	29,961,424
West Texas	6,833,488	21,490	6,854,978
TOTAL TECHNICAL COLLEGE CAMPUSES	\$ 67,748,500	\$ 0	\$ 67,748,500

Source: Higher Education Coordinating Board at the direction of the Legislative Budget Board. The LBB based its directions on its interpretation of the intent of the 78th Legislature (Regular Session). The State Auditor is not expressing an opinion on or providing assurances about this interpretation of legislative intent.

Chapter 2

Colleges' Self-Reported Error Amounts Are Below the Allowable Error Rate

Based on analytical tests and other procedures performed by the State Auditor's Office and on the colleges' self-reported errors, we are not aware of the need for any additional funding adjustments beyond those discussed in Chapter 1. Rider 7 specifies that "The calculation of revised appropriation amounts shall allow the institutions an error rate of up to two percent of the total contact hour formula appropriations to that institution for the biennium."

The State Auditor asks colleges to report known errors in their certified enrollment data. This provides colleges an opportunity to correct their enrollment data after certifying it to the Coordinating Board.

Seven colleges (12 percent) understated base-period contact hours equal to \$242,995 of funding, while 46 colleges (81 percent) overstated base-period enrollment data equal to \$2,460,191 of funding. Four colleges (7 percent) reported that they had no errors. In total, colleges self-reported \$2,217,196 in net over-funding. All errors reported fell below the 2 percent allowable error rate.

Table 3 contains information on each college's self-reported errors.

Table 3

Community, State, and Technical Colleges' Self-Reported Enrollment Error Amounts			
Institution/District	Two Percent Allowable Error Amount	Total Biennium Self-Reported Error Amount	Self-Reported Errors as a Percentage of Total Biennium Appropriation
Over-Reporting Colleges			
Alamo Community College District	\$ 2,311,299	\$ (131,686)	-0.11%
Alvin Community College	322,558	(21,954)	-0.14%
Amarillo College	630,938	(7,505)	-0.02%
Angelina College	322,458	(12,319)	-0.08%
Austin Community College	1,432,664	(239,881)	-0.33%
Blinn College	735,926	(11,625)	-0.03%
Brazosport College	224,413	(1,883)	-0.02%
Central Texas College District	717,736	(6,902)	-0.02%
Cisco Junior College	170,032	(15,287)	-0.18%
Clarendon College	83,687	(2,571)	-0.06%
Coastal Bend College	273,018	(3,037)	-0.02%
College of the Mainland	243,600	(3,879)	-0.03%
Collin County Community College District	883,513	(11,907)	-0.03%
Dallas County Community College District	3,328,742	(191,023)	-0.11%
Del Mar College	748,552	(37,763)	-0.10%
El Paso County Community College District	1,163,171	(16,569)	-0.03%
Grayson County College	240,642	(89,027)	-0.74%
Hill College	214,313	(12,927)	-0.12%
Houston Community College	2,368,369	(79,229)	-0.07%
Kilgore College	408,440	(7,962)	-0.04%
Laredo Community College	459,512	(3,225)	-0.01%
Lee College	402,105	(10,081)	-0.05%
McLennan Community College	475,877	(60,733)	-0.26%
Midland College	322,122	(8,316)	-0.05%
Navarro College	355,977	(26,400)	-0.15%
North Central Texas Community College District	294,801	(1,994)	-0.01%
North Harris Montgomery College District	1,629,672	(652,591)	-0.80%
Northeast Texas Community College	149,090	(904)	-0.01%
Odessa College	334,666	(12,791)	-0.08%
Panola College	129,007	(5,912)	-0.09%
Paris Junior College	275,236	(7,477)	-0.05%
San Jacinto College District	1,326,975	(46,080)	-0.07%
South Plains College	525,001	(24,088)	-0.09%
South Texas Community College	797,403	(111,514)	-0.28%

Table 3

Community, State, and Technical Colleges' Self-Reported Enrollment Error Amounts			
Institution/District	Two Percent Allowable Error Amount	Total Biennium Self-Reported Error Amount	Self-Reported Errors as a Percentage of Total Biennium Appropriation
Over-Reporting Colleges			
Southwest Texas Junior College	\$ 254,358	\$ (20,149)	-0.16%
Tarrant County Junior College District	1,601,782	(98,253)	-0.12%
Temple Junior College	243,304	(21,234)	-0.17%
Texas Southmost College	434,911	(27,613)	-0.13%
Texas State Technical College - West Texas	339,187	(182,418)	-1.08%
Texas State Technical College - Marshall	94,630	(27,806)	-0.59%
Trinity Valley Community College	411,489	(6,888)	-0.03%
Tyler Junior College	605,895	(24,493)	-0.08%
Victoria College	273,813	(95)	0.00%
Weatherford College	291,089	(156,395)	-1.07%
Western Texas College	105,599	(7,095)	-0.13%
Wharton County Junior College	315,743	(10,710)	-0.07%
TOTAL OVER-REPORTING COLLEGES		\$ (2,460,191)	
Under-Reporting Colleges			
Frank Phillips College	\$ 99,772	\$ 7,486	0.15%
Galveston College	189,820	10,377	0.11%
Lamar Institute of Technology	263,669	1,718	0.01%
Ranger College	83,687	11,663	0.28%
Texas State Technical Institute - Harlingen	542,239	67,303	0.25%
Texas State Technical Institute - Waco	778,682	144,068	0.37%
Vernon College	202,788	380	0.00%
TOTAL UNDER-REPORTING COLLEGES		\$ 242,995	
TOTAL NET ERROR AMOUNTS		\$ (2,217,196)	
Schools Reporting Zero Errors			
Howard College	\$ 282,556		
Lamar State College - Orange	154,732		
Lamar State College - Port Arthur	259,644		
Texarkana College	327,382		

Source: Individual colleges

Other Information

Objective, Scope, and Methodology

Objective

The overall objective of this biennial review was to enhance accountability in colleges' enrollment reporting by reviewing, and as necessary, independently verifying enrollment data.

Public institutions of higher education must report enrollment data according to the requirements of the Higher Education Coordinating Board (Coordinating Board), Article III of the General Appropriations Act, and the Texas Education Code.

Scope

The scope of this review focused on colleges' contact hour data for the summer 2002, fall 2002, and spring 2003 semesters. Colleges are allowed a 2 percent error rate for the contact hours reported.

The information used in this report has not been subjected to the tests that would be performed in an audit.

Methodology

The review methodology included:

- Performing on-site risk assessments at 13 colleges—
 - ♦ Amarillo College
 - ♦ Central Texas College
 - ♦ Clarendon College
 - ♦ Frank Phillips College
 - ♦ Galveston College
 - ♦ Hill College
 - ♦ Lamar Institute of Technology
 - ♦ Laredo Community College
 - ♦ Lee College
 - ♦ McLennan Community College
 - ♦ Navarro College
 - ♦ San Jacinto College
 - ♦ South Texas Community College
- Determining through analysis of reported data if there is justification to perform additional procedures at one or more institutions.
- Determining if the primary factor (contact hours) used as the basis of the formula funding appropriations of the 78th Legislature is consistent with the number of contact hours in the Coordinating Board's database and with the number reported by individual institutions.
- Reviewing self-reported errors in contact hour data and, as necessary, calculating funding adjustments if the errors exceed the 2 percent error rate.
- Recalculating the revised funding allocation because of the change from estimated to actual spring contact hours.

Background Information

State funding of higher education programs for public colleges is provided from the State's General Revenue Fund. The 2004–2005 biennium appropriations based on contact hours were \$1,593,114,039 for the colleges. The Legislative Budget Board, Coordinating Board, and Comptroller of Public Accounts are involved in the distribution of appropriations to the individual colleges. The State provides funding to 50 community college districts, 4 campuses and 3 extension centers of the Texas State Technical College System, and 3 Lamar University components for the 2004–2005 biennium.

The formula for college funding involves multiplying base period contact hours a college submits in its request for appropriations by the applicable funding rates per contact hour. Contact hour rates per program are set by the Coordinating Board and are based on a cost study of college program expenditures.

To be eligible for state funding, colleges must comply with the rules and regulations of the Coordinating Board, requirements of the General Appropriations Act, and the Texas Education Code.

Distribution Information

Legislative Audit Committee

The Honorable Tom Craddick, Speaker of the House, Chair
The Honorable David Dewhurst, Lieutenant Governor, Vice Chair
The Honorable Teel Bivins, Senate Finance Committee
The Honorable Bill Ratliff, Senate State Affairs Committee
The Honorable Talmadge Heflin, House Appropriations Committee
The Honorable Ron Wilson, House Ways and Means Committee

Office of the Governor

The Honorable Rick Perry, Governor

Public Community/Junior Colleges and Technical Colleges

Presidents of the colleges listed in this report



This document is not copyrighted. Readers may make additional copies of this report as needed. In addition, most State Auditor's Office reports may be downloaded from our Web site: www.sao.state.tx.us.

In compliance with the Americans with Disabilities Act, this document may also be requested in alternative formats. To do so, contact Production Services at (512) 936-9880 (Voice), (512) 936-9400 (FAX), 1-800-RELAY-TX (TDD), or visit the Robert E. Johnson Building, 1501 North Congress Avenue, Suite 4.224, Austin, Texas 78701.

The State Auditor's Office is an equal opportunity employer and does not discriminate on the basis of race, color, religion, sex, national origin, age, or disability in employment or in the provision of services, programs, or activities.

To report waste, fraud, or abuse in state government call the SAO Hotline: 1-800-TX-AUDIT.